

**ASSEMBLY BILL**

**No. 1085**

---

**Introduced by Assembly Members Beth Gaines and Morrell  
(Coauthors: Assembly Members Bigelow, Conway, Wagner, and  
Waldron)**

February 22, 2013

---

An act to amend Section 69432 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1085, as introduced, Beth Gaines. Cal Grant Program: maximum award amounts: private institutions.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Existing law sets maximum tuition award amounts for Cal Grant A and B awards for new recipients attending private for-profit and nonprofit postsecondary educational institutions, as specified.

This bill would increase those maximum tuition award amounts for recipients attending private for-profit and nonprofit postsecondary educational institutions to \$9,708.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. The Legislature finds and declares all of the  
2 following:  
3     (a) The 2012–13 Budget Act reduced Cal Grant award amounts  
4 for students attending private postsecondary educational institutions  
5 by 17 to 59 percent commencing with the 2013–14 award year.  
6 The Governor also further reduced Cal Grant award awards for  
7 the 2012–13 award year by 5 percent to save \$23,000,000 for  
8 consistency.  
9     (b) These Cal Grant award reductions disproportionately affect  
10 low-income families. Those recipients who are hurt most by the  
11 reductions are the following:  
12     (1) Minorities, who receive 60 percent of Cal Grant awards.  
13     (2) Females, who receive 64 percent of Cal Grant awards.  
14     (3) Students with parents who make under \$36,000 a year, who  
15 receive 67 percent of Cal Grant awards.  
16     (4) Students with parents who make under \$48,000 a year, who  
17 receive 82 percent of Cal Grant awards.  
18     (c) The Legislative Analyst’s Office has warned that reducing  
19 Cal Grant awards to students attending private postsecondary  
20 educational institutions may have the unintended effect of driving  
21 more students from private institutions to public institutions,  
22 thereby increasing the overall cost to the taxpayer to educate those  
23 students.  
24     SEC. 2. Section 69432 of the Education Code is amended to  
25 read:  
26     69432. (a) Cal Grant Program awards shall be known as “Cal  
27 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”  
28 “California Community College Transfer Entitlement Awards,”  
29 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”  
30 and “Cal Grant T Awards.”  
31     (b) Maximum award amounts for students at independent  
32 institutions and for Cal Grant C and T awards shall be identified  
33 in the annual Budget Act. Maximum award amounts for Cal Grant  
34 A and B awards for students attending public institutions shall be  
35 referenced in the annual Budget Act.

(c) (1) Notwithstanding subdivision (b), and subdivision (c) of Section 66021.2, commencing with the 2013–14 award year, the maximum tuition award amounts for Cal Grant A and B awards for students attending private ~~for-profit and nonprofit~~ postsecondary educational institutions shall be ~~as follows: nine thousand seven hundred eight dollars (\$9,708).~~

~~(A) Four thousand dollars (\$4,000) for new recipients attending private for-profit postsecondary educational institutions.~~

~~(B) For the 2013–14 award year, nine thousand eighty-four dollars (\$9,084) for new recipients attending private nonprofit postsecondary educational institutions. For the 2014–15 award year and each award year thereafter, eight thousand fifty-six dollars (\$8,056) for new recipients attending private nonprofit postsecondary educational institutions.~~

(2) The renewal award amount for a student whose initial award is subject to a maximum award amount specified in this subdivision shall be calculated pursuant to paragraph (2) of subdivision (a) of Section 69433.

~~(3) Notwithstanding subparagraph (A) of paragraph (1), new recipients attending private for-profit postsecondary educational institutions that are accredited by the Western Association of Schools and Colleges as of July 1, 2012, shall have the same maximum tuition award amounts as are set forth in subparagraph (B) of paragraph (1).~~

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to restore vital Cal Grant awards for recipients attending private postsecondary educational institutions, it is necessary that this act take immediate effect.